

EXHIBIT 2

MAYOR MICHAEL DUGGAN
IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF MICHIGAN

In re) Chapter 9
CITY OF DETROIT, MICHIGAN,) Case No. 13-53846
Debtor.) Hon. Steven W. Rhodes

The Videotaped Deposition of MAYOR MICHAEL DUGGAN,
Taken at 2 Woodward Avenue, Suite 500,
Detroit, Michigan,
Commencing at 10:00 a.m.,
Friday, August 1, 2014,
Before Rebecca L. Russo, CSR-2759, RMR, CRR.

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<p style="text-align: right;">Page 125</p> <p>1 BY MR. ARNAULT:</p> <p>2 Q. And do you know if the decision to cut pensions to GRS</p> <p>3 and PFRS impacted employee productivity?</p> <p>4 A. Again, you know, I didn't objectively measure it. I</p> <p>5 know it was a source of great anxiety around the,</p> <p>6 around all of the employment centers.</p> <p>7 Q. But you don't know whether it impacted productivity?</p> <p>8 A. Again, I didn't do any measure whether February was</p> <p>9 any different than January. It certainly didn't --</p> <p>10 the level of anxiety didn't help anything.</p> <p>11 Q. Are you aware that the City intends to utilize a new</p> <p>12 pension system on a go-forward basis for active</p> <p>13 employees?</p> <p>14 A. Yes.</p> <p>15 Q. And this is the hybrid pension plan, is that right?</p> <p>16 A. Right.</p> <p>17 Q. And under the new pension plan, the employees are</p> <p>18 going to bear some exposure to market downturns, would</p> <p>19 that be fair?</p> <p>20 MR. GALLAGHER: Objection, form.</p> <p>21 A. Again, I'm not the expert in this.</p> <p>22 BY MR. ARNAULT:</p> <p>23 Q. Has the City's decision to utilize a new pension</p> <p>24 system had any impact on active employee morale?</p> <p>25 A. You know, I have not canvassed the employees to see,</p>	<p style="text-align: right;">Page 127</p> <p>1 Q. Why do you say recently that --</p> <p>2 A. Instead of twenty-six percent, they're looking at</p> <p>3 four-and-a-half percent, so I guess there's a sense</p> <p>4 they're being treated less unfairly.</p> <p>5 Q. Okay. So you are aware that recently the City has</p> <p>6 reduced the cuts to pensions?</p> <p>7 A. Yeah.</p> <p>8 Q. Okay. And is it your understanding that the agreement</p> <p>9 to reduce the cuts to pensions only applies to the</p> <p>10 retirees?</p> <p>11 MR. MORRIS: Objection, form.</p> <p>12 A. I'm not knowledgeable on the ins and outs of all that.</p> <p>13 BY MR. ARNAULT:</p> <p>14 Q. And so you don't know whether the decision to reduce</p> <p>15 the cuts to retirees had any impact on employee</p> <p>16 morale?</p> <p>17 MR. MORRIS: Objection, form.</p> <p>18 Bill, could you speak up just a little</p> <p>19 bit --</p> <p>20 MR. ARNAULT: Sure.</p> <p>21 MR. MORRIS: -- I'm having some trouble.</p> <p>22 A. No. Again, I haven't segmented out -- you're asking</p> <p>23 me -- I've got 9,000 employees. I have not surveyed</p> <p>24 them on which things are impacting which. There is a</p> <p>25 sense of, I think, hope in the city now that wasn't</p>
<p style="text-align: right;">Page 126</p> <p>1 of all the things that they're stressed about, whether</p> <p>2 the hybrid system is the thing that bothers them the</p> <p>3 most. I don't know.</p> <p>4 Q. So you don't know if the City's decision to utilize a</p> <p>5 new pension system has any effect on productivity,</p> <p>6 either, would that be fair?</p> <p>7 A. Again, I haven't, I haven't segmented out one thing</p> <p>8 and surveyed what affect it had, no.</p> <p>9 Q. Okay. So you haven't -- when you're looking at</p> <p>10 productivity, you're not looking at what specific</p> <p>11 impact certain events have on that productivity, is</p> <p>12 that right?</p> <p>13 A. What I look at is what motivates performance, and</p> <p>14 certainly the feeling that the employer is treating</p> <p>15 them and dealing with them fairly is a huge impact on</p> <p>16 people's performance, and I'm trying to create an</p> <p>17 environment where people feel like they're being</p> <p>18 treated fairly.</p> <p>19 Certainly a number of these things have</p> <p>20 caused them to feel they're being treated unfairly,</p> <p>21 and I see it in every forum that I go to, but can I</p> <p>22 tell you it's this slice or that slice individually?</p> <p>23 Collectively, employees have felt treated</p> <p>24 unfairly and I think recently feel treated less</p> <p>25 unfairly, but ...</p>	<p style="text-align: right;">Page 128</p> <p>1 there six months ago. How much of that is pension and</p> <p>2 how much of that is other things, I don't know.</p> <p>3 BY MR. ARNAULT:</p> <p>4 Q. Okay. It's not something you can testify about, is</p> <p>5 that right?</p> <p>6 MR. CULLEN: Objection, foundation, form.</p> <p>7 He has testified about it. He's given you his</p> <p>8 testimony.</p> <p>9 A. So I've answered as best I can.</p> <p>10 BY MR. ARNAULT:</p> <p>11 Q. Okay. Are you aware, as a general matter, how much</p> <p>12 each of the City's creditors are set to receive under</p> <p>13 the current plan?</p> <p>14 A. Only what I saw in the plan of adjustment.</p> <p>15 Q. Okay. So you're aware that the City's pensioners are</p> <p>16 set to receive more than, certainly, the financial</p> <p>17 creditors?</p> <p>18 MR. CULLEN: Objection, foundation, form.</p> <p>19 MR. MORRIS: Objection, form.</p> <p>20 MR. GALLAGHER: Objection, foundation.</p> <p>21 A. I generally understand what the arrangements are, not</p> <p>22 in any detail.</p> <p>23 BY MR. ARNAULT:</p> <p>24 Q. What's your general understanding of the arrangements?</p> <p>25 A. That, that the retirees are taking in the general fund</p>

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